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JAN 3 1983

Mr. Harry E. Fitzwater  
Deputy Director of Administration  
Central Intelligence Agency  
Washington, DC 20505

Dear Mr. Fitzwater:

The General Services Administration's Office of Transportation Audits has been working with the Federal agencies for over 2 years in a concerted effort to alert the appropriate officials regarding substantial and repeated noncompliance with the regulations governing the recovery of refunds for unused airline ticket coupons (see 41 CFR 101-41.210). The enclosure itemizes the significant events surrounding our attempt to get the agencies to police their own operations and institute corrective action. You will see that we have (a) dealt with the industry and their trade association, (b) received Congressional interest (predominantly from the Subcommittee on Governmental Efficiency and the District of Columbia chaired by Senator Mathias), (c) modified the governing regulations, (d) utilized the Inspector General network, and (e) consulted with the General Accounting Office... all in an attempt to collect money that belongs to the Federal Government but is nevertheless held by the carriers because of inaction by the agencies. At the the same time we have reached out with our Agency Review and Assistance Program and conducted seminars in Washington and the major federal regional cities to make sure that our message was reaching the appropriate technicians at the working level.

This letter is to inform you that while in general there has been improvement in the level of compliance by the agencies with the regulations regarding the recovery of refunds for unused ticket coupons, our most recent agency reviews nevertheless indicate that the procedures used by many fiscal offices to process travel vouchers are still deficient. GSA review teams have gone into agencies which have assured us that their procedures and files have been carefully screened, and by just sampling the vouchers they are invariably able to find negotiable airline tickets worth hundreds, if not thousands, of dollars. Prorated over an agency's entire fiscal system these rather small initial findings suggest that many thousands of dollars in scarce travel funds are being forfeited by every major agency.

It is difficult to conceive in this era of extremely constrained travel budgets that any agency would allow negotiable airline tickets to simply be filed away. Consequently, I strongly urge that further searches be directed by your office to ensure that all potential refunds are identified and submitted to the appropriate airline or to GSA.

83-0049

If your staff has any questions regarding the process to be used in conducting these searches, they should call Mr. Ted Rose of the Office of Transportation Audits at 786-3013 for further details.

In addition, I would appreciate your advising Thomas P. Wolf, Director, Office of Transportation Audits, within 30 days of the status of your agency's implementation of this request. In the meantime, if you have any further questions, please feel free to contact either Mr. Wolf or John Tackett, Deputy Director, at 786-3000.

Sincerely,

A handwritten signature in cursive script, appearing to read 'R. Fontaine', written in dark ink.

RAYMOND FONTAINE  
Assistant Administrator

Enclosure

TO CORRECT THE FEDERAL AGENCIES'  
REFUND RECOVERY PROBLEMS AND PROCEDURES

July 3, 1980	GSA receives Civil Aeronautics Board report that agencies are failing to claim refunds due from airlines.
July 5 - August 15, 1980	GSA develops response and action plan.
August 5, 1980	GSA alerts Interagency Travel and Transportation Management Committees and gives written instructions on processing refunds.
September 15, 1980	GSA ask Air Transport Association (ATA) for cooperation.
October 16, 1980	GSA addresses OPM Voucher Examiner Seminar and explains refund procedures.
October 19, 1980	Letter sent to agency Assistant Secretaries advising of refund problem.
November 19, 1980	GSA Inspector General uses IG Network to advise other agency IGs of refund problem.
March 31, 1981	Rulemaking proposal published in the Federal Register (See October 16, 1981, for final rule).
May 12, 1981	Letters sent to the Assistant Secretaries requesting that they monitor more closely the triplicate copy of the refund application (SF 1170).
June 9, 1981	First inquiry from Senator Mathias.
August 13, 1981	Letter sent to 28 agencies advising of the nonreceipt of paid refund applications.
August 19, 1981	GSA meets with General Accounting Office (GAO) officials on the refund recovery program in response to Senator Mathias' interest.
September 15, 1981	GSA and GAO meet with ATA and demand return of refunds due.
October 16, 1981	Final rule amending the Federal Property Management Regulations published in the Federal Register. The predominant provision of this rule is that carriers not receiving refund applications from the agencies within 180 days should submit refunds directly to the GSA.

November 13, 1981	GSA's Deputy Administrator writes to heads of agencies urging a review of their records for the past 6 years, the identification of refunds due, and the preparation of refund applications.
February 2, 1982	Rulemaking proposal published in the Federal Register (See October 26, 1982, for final rule).
GSA supplemented its Agency Review and Assistance Program to concentrate on the refund recovery problem. Interagency seminars targeted almost exclusively to this issue were conducted by the Director, Office of Transportation Audits, personally, in the following federal regional cities:	
May 14, 1982	San Francisco
May 17, 1982	Denver
August 3, 1982	Seattle
August 4, 1982	Fort Worth
August 5, 1982	Atlanta
August 17, 1982	Philadelphia
August 18, 1982	New York
August 19, 1982	Boston
September 14, 1982	Chicago
September 15, 1982	Kansas City
September 22, 1982	GSA and ATA initiate dialogue for long range solution.
October 26, 1982	Final rule amending the Federal Property Management Regulations published in the Federal Register. The principle provision of this rule requires the carriers to refund directly to the agencies within 60 days without a specific claim form being filed by the Government.
October 27, 1982	GSA conducts a major metropolitan area Washington, D.C. Agency Review and Assistance Program presentation before over 200 representatives of Federal fiscal and travel management offices.
January 1982 to present	Conducted almost three dozen individual agency reviews with 50 more scheduled for the balance of fiscal year 1983. Written reports of findings are sent to the appropriate agency.